

CHAPTER 356—H. F. No. 566

An act relating to the taxation of gifts and the exemption applicable; amending Minnesota Statutes 1961, Section 292.04.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Section 292.04, is amended to read:

292.04 Gifts; tax exemptions. The following transfers by gift shall be exempt from and excluded in computing the tax imposed by this chapter.

(1) Gifts to or for the use of the United States of America or any state or any political subdivision thereof for exclusively public purposes;

(2) Gifts to or for the use of any fund, foundation, trust, association, organization or corporation operated within this state for religious, charitable, scientific, literary, or educational purposes exclusively, including the promotion of the arts, or the conduct of a public cemetery, if no part thereof inures to the profit of any private shareholder or individual. Gifts to or for the use of any corporation, fund, foundation, trust, or association operated for religious, charitable, scientific, literary, or educational purposes, including the promotion of the arts, or the conduct of a public cemetery, no part of which inures to the profit of any private shareholders or individual, shall be exempt, if at the date of the gift, the laws of the state under the laws of which the donee is organized or existing either (1) do not impose a gift tax in respect of property transferred to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of this state, or (2) contain a reciprocal provision under which gifts to a similar corporation, fund, foundation, trust, or association organized or existing under the laws of another state are exempt from gift taxes if such other state allows a similar exemption to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of such state;

(3) Gifts to a fraternal society, order, or association operating under the lodge system, but only if such gifts are to be used exclusively for the purposes designated in clause (2);

(4) Gifts to or for the use of posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units or societies are organized within the state of Minnesota and if such gifts are to be used exclusively for the purposes designated in clause (2);

Changes or additions indicated by italics, deletions by strikeout.

(5) All property transferred, money, service, or other thing of value, paid, furnished, or delivered by any person, corporation, organization, or association to his or its employees, or to any organization of his or its employees, directly or indirectly, or to any person, firm, or corporation for them or it, including payments to cover insurance, sickness, and death benefits, pensions, relief activities, or to any other employees benefit fund of any kind, and medical service to such employees and their families;

(6) The first \$3,000 in value of gifts (other than of future interests in property) made to any person by the donor during any calendar year. No part of a gift to a minor donee ~~which complies with the provisions of the Minnesota uniform gifts to minors act, Minnesota Statutes, Chapter 527,~~ shall be considered a gift of future interest in property for purposes of this clause: *if it complies with the provisions of the Minnesota uniform gifts to minors act, Minnesota Statutes, Chapter 527, or if it is a transfer for the benefit of a minor, and if the property and income therefrom:*

(a) *May be expended by or for the benefit of the donee before his attaining the age of 21 years; and*

(b) *Will to the extent not so expended*

(1) *pass to the donee on his attaining the age of 21 years and*

(2) *in the event the donee dies before attaining the age of 21 years, be payable to the estate of the donee, or as he may appoint under a general power of appointment as defined in section 2514 (C) of the Internal Revenue Code of 1954.*

Sec. 2. *This act is applicable to all gifts made on or after March 20, 1957.*

Approved April 26, 1963.

CHAPTER 357—H. F. No. 672

[Coded in Part]

An act relating to highway traffic regulations; amending Minnesota Statutes 1961, Sections 169.01, Subdivision 42, 169.06, Subdivisions 5 and 6, and adding a new subdivision thereto, and 169.18, Subdivision 5.

Be it enacted by the Legislature of the State of Minnesota:

Changes or additions indicated by italics, deletions by strikeout.